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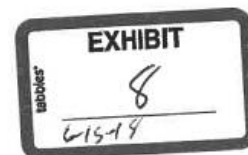
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Financial Statements
December 31, 2014 and 2013
H&S Contracting, Inc.

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H&S Contracting, Inc.
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December 31, 2014 and 2013

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Independent Accountant's Review Report

The Board of Directors
H&S Contracting, Inc.
Moorhead, Minnesota

We have reviewed the accompanying balance sheets of H&S Contracting, Inc. as of December 31, 2014 and 2013, and the related statements of operations, stockholder's equity, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules on pages 16 through 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Fargo, North Dakota
July 7, 2015

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	2014	2013
Assets		
Current Assets		
Cash	\$ 11,130	\$ 18,600
Contract receivables less allowance for doubtful accounts of \$29,000 in 2014 and \$0 in 2013	918,379	814,278
Other receivables	650	-
Inventories	787,500	333,446
Costs and estimated earnings in excess of billings on uncompleted contracts	37,646	56,915
Security deposits	5,510	-
Prepaid expenses	8,060	9,000
Total current assets	<u>1,768,875</u>	<u>1,232,239</u>
Property and Equipment	6,651,133	4,990,065
Less accumulated depreciation	<u>(1,413,254)</u>	<u>(864,887)</u>
	<u>5,237,879</u>	<u>4,125,178</u>
	<u>\$ 7,006,754</u>	<u>\$ 5,357,417</u>

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H&S Contracting, Inc.
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Liabilities and Stockholder's Equity		
Current Liabilities		
Checks issued but not presented for payment	\$ 40,504	\$ 25,712
Current maturities of long-term debt	689,240	608,735
Accounts payable	568,227	740,227
Subcontractors accounts payable	317,197	61,042
Billings in excess of costs and estimated earnings on uncompleted contracts	63,106	13,594
Accrued payroll liabilities	61,503	64,497
Accrued sales tax	8,897	-
Total current liabilities	<u>1,748,674</u>	<u>1,513,807</u>
Long-term Liabilities		
Long-term debt, less current maturities	2,125,819	1,901,108
Long-term line of credit	534,398	213,274
Deferred income taxes	-	369,000
Total liabilities	<u>4,408,891</u>	<u>3,997,189</u>
Stockholder's Equity		
Common stock: par value \$1.00 per share		
Authorized 50,000 shares, issued and outstanding 1,000 shares	1,000	1,000
Retained earnings	<u>2,596,863</u>	<u>1,359,228</u>
Total stockholder's equity	<u>2,597,863</u>	<u>1,360,228</u>
	<u>\$ 7,006,754</u>	<u>\$ 5,357,417</u>

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H&S Contracting, Inc.
Statements of Operations
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Earned Revenue	\$ 13,111,503	\$ 7,484,910
Costs of Earned Revenue	<u>11,215,497</u>	<u>6,700,033</u>
Gross Profit	1,896,006	784,877
Operating Expenses	<u>897,352</u>	<u>298,253</u>
Income from Operations	998,654	486,624
Other Income (Expense)		
Gain (loss) on sale of equipment	(24,721)	40,323
Interest expense	(128,995)	(120,549)
Other, net	<u>23,697</u>	<u>3,024</u>
Net Income Before Income Taxes	868,635	409,422
(Provision for) Benefit from Income Taxes	<u>369,000</u>	<u>(156,000)</u>
Net Income	<u>\$ 1,237,635</u>	<u>\$ 253,422</u>

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H&S Contracting, Inc.
 Statements of Stockholder's Equity
 Years Ended December 31, 2014 and 2013

	Common Stock	Retained Earnings	Total
Balance, December 31, 2012	\$ 1,000	\$ 1,105,806	\$ 1,106,806
Net Income	-	253,422	253,422
Balance, December 31, 2013	1,000	1,359,228	1,360,228
Net Income	-	1,237,635	1,237,635
Balance, December 31, 2014	<u>\$ 1,000</u>	<u>\$ 2,596,863</u>	<u>\$ 2,597,863</u>

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H&S Contracting, Inc.
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Net Income	\$ 1,237,635	\$ 253,422
Adjustments to reconcile net income to net cash from operating activities		
Depreciation expense	648,280	424,393
Bad debt expense	45,349	11,367
Deferred income taxes	(369,000)	156,000
Gain on sale of equipment	24,721	(40,323)
Changes in assets and liabilities		
Receivables	(150,100)	(519,945)
Inventories	(454,054)	(316,888)
Costs and estimated earnings in excess of billings on uncompleted contracts	19,269	327,943
Prepaid expenses	940	(9,000)
Security deposit	(5,510)	
Checks issued but not presented for payment	14,792	25,712
Accounts and subcontractors payable	84,155	386,053
Billings in excess of costs and estimated earnings on uncompleted contracts	49,512	(1,791)
Accrued expenses	22,307	92,016
Accrued income tax	8,897	(13,039)
Net Cash from Operating Activities	<u>1,177,193</u>	<u>775,920</u>
Investing Activities		
Purchase of equipment	(828,816)	(837,609)
Proceeds from the sale of equipment	<u>27,500</u>	<u>222,800</u>
Net Cash used for Investing Activities	<u>(801,316)</u>	<u>(614,809)</u>
Financing Activities		
Net advances on line of credit	321,124	179,566
Proceeds from the issuance of long-term debt	-	290,012
Principal payments on long-term debt	<u>(704,471)</u>	<u>(640,142)</u>
Net Cash used for Financing Activities	<u>(383,347)</u>	<u>(170,564)</u>
Net Change in Cash	(7,470)	(9,453)
Cash, Beginning of Year	<u>18,600</u>	<u>28,053</u>
Cash, End of Year	<u>\$ 11,130</u>	<u>\$ 18,600</u>

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H&S Contracting, Inc.
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	<u>\$ 128,995</u>	<u>\$ 118,500</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ 13,039</u>
Supplemental Disclosure of Non-Cash Financing and Investing Activities		
Purchase of property and equipment through issuance of long-term debt	<u>\$ 984,386</u>	<u>\$ 776,241</u>

Note 1 - Principal Business Activity

The Company's primary business is site development, excavating, hauling and demolition in North Dakota and Minnesota. The work is performed under fixed price and unit price contracts. These contracts are obtained through both competitive bidding and negotiation processes and vary in size and duration. The length of the Company's contracts varies but is typically less than one year.

Concentrations

The Company maintains its cash accounts in various deposit accounts, the balance of which are periodically in excess of federally insured limits.

The Company is subject to a collective bargaining agreement for approximately 40% of its labor force. The current agreement expires in May 2016.

The Company's operations are in part dependent on the level of construction activity in North Dakota and Minnesota, and because of the nature of the Company's operations, contract receivable and revenue from certain customers may, at times, represent a substantial portion of total contract receivables and revenues.

Receivable and Credit Policy

Contract receivables generally are due when billed and the retainage at the completion of the construction contract. Payments are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Inventory

Inventory, which consists of stockpiled materials, is stated at the lower of cost (average cost method), or market.

Property and Equipment

Property and equipment is stated at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line, based on useful lives of the assets which range from five to thirty-nine years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2014 and 2013.

Income Taxes

During 2014, the Company, with the consent of its stockholder, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

Prior to 2014, income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of property and equipment for financial and income tax reporting and income tax net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2014 and 2013, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Company is no longer subject to Federal and state tax examinations by tax authorities for years before 2011.

Revenue and Cost Recognition

Revenues from fixed-price and unit price contracts are recognized on the percentage-of-completion method, measured by the percentage of contract costs incurred to date to estimated total contract costs. This method is used because management considers expended contract costs to be the best available measure of progress on these contracts.

Contract costs include all direct material, subcontract and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, depreciation, and fringe benefits. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Because of the inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Sales Taxes

Various states impose a sales tax on the Company's sales to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from earned revenues and cost earned revenue.

Advertising Costs

Advertising costs are expensed as incurred. Such costs totaled \$15,382 and \$9,522 for the years ended December 31, 2014 and 2013, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Contract Receivables

At December 31, 2014 and 2013 contract receivables consist of the following:

	2014	2013
Completed contracts	\$ 544,178	\$ 256,949
Contracts in progress	25,821	214,025
Retainage	377,380	343,304
	947,379	814,278
Less allowance for doubtful accounts	(29,000)	-
	<u>\$ 918,379</u>	<u>\$ 814,278</u>

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 3 - Uncompleted Contracts

	2014	2013
Costs incurred on uncompleted contracts	\$ 1,404,481	\$ 2,296,869
Estimated earnings	286,962	712,390
	<u>1,691,443</u>	<u>3,009,259</u>
Less billings to date	<u>(1,716,903)</u>	<u>(2,965,938)</u>
	<u>\$ (25,460)</u>	<u>\$ 43,321</u>

Included in the accompanying balance sheets under the following captions:

Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 37,646	\$ 56,915
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(63,106)</u>	<u>(13,594)</u>
	<u>\$ (25,460)</u>	<u>\$ 43,321</u>

Note 4 - Property and Equipment

Property and equipment at December 31, 2014 and 2013 consists of the following:

	2014	2013
Construction equipment	\$ 4,755,118	\$ 3,484,921
Office equipment	121,609	76,106
Vehicles	1,342,186	1,054,385
Buildings and improvements	275,535	217,968
Land	<u>156,685</u>	<u>156,685</u>
	<u>\$ 6,651,133</u>	<u>\$ 4,990,065</u>

Note 5 - Line of Credit and Long-Term Debt

Line of Credit

During 2014, the Company entered into a revolving line of credit with Associated Bank, National Association that provides for available borrowings of \$600,000. The agreement matures on June 30, 2016. Borrowings under the line of credit bear interest at the 30-Day LIBOR + 3.00% (currently 3.17%). All borrowings are collateralized substantially all of the Company's assets and are guaranteed by the stockholder. Amounts outstanding on the line totaled \$534,398 and \$213,274 as of December 31, 2014 and 2013, respectively. The line of credit agreement contains various covenants. The Company was in compliance with all covenants as of December 31, 2014 or had obtained a waiver from the bank.

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Long-Term Debt

Long-term debt consists of:

	2014	2013
4.63% note payable to SunTrust Bank due in monthly installments of \$808, including interest, to October 2018, secured by equipment	\$ 33,985	\$ 41,904
5.50% note payable to First Community Credit Union due in monthly installments of \$675, including interest, to October 2031, secured by real estate	88,106	91,496
1.95% note payable to Wells Fargo due in monthly installments of \$2,980 (June through November), including interest, to September 2018, secured by equipment	62,897	79,290
4.70% note payable to Cat Financial due in monthly installments of \$4,044 (April through December), including interest, to December 2018, secured by equipment	135,746	-
5.64% note payable to Nereson Auto due in monthly installments of \$490, including interest, to December 2019, secured by vehicle	25,568	-
4.79% note payable to Nereson Auto due in monthly installments of \$838, including interest, to October 2020, secured by vehicle	51,106	-
Variable interest note payable (3.39% at December 31, 2014) to Associated Bank, due in monthly installments of \$91,667 plus applicable interest July through December and interest only installments January through June, to December 2018, secured by equipment	2,176,641	-
Various capital lease with Kinetic Leasing, due in monthly installments of \$9,705 (May through December), including interest ranging from 6.16% to 6.28%, to various date through October 2018, secured by equipment	241,010	-
Notes payable refinanced or paid in full in 2014	-	2,297,153
	2,815,059	2,509,843
Less current maturities	(689,240)	(608,735)
	<u>\$ 2,125,819</u>	<u>\$ 1,901,108</u>

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Future maturities of long-term debt are as follows:

<u>Years Ending December 31,</u>	
2015	\$ 689,240
2016	692,084
2017	699,587
2018	637,097
2019	19,231
Thereafter	<u>77,820</u>
	<u>\$ 2,815,059</u>

Note 6 - Leases

The Company rents a shop under an operating lease for \$1,833 per month. The lease expires in January 2020. During 2014, the Company rented additional shop space under an operating lease for \$1,042 per month. The lease expires in August 2019.

The Company also leases vehicles and equipment under operating leases for a total of \$46,215 per month. The lease agreements expire on various dates through October 2020. The Company leases a piece of equipment from a related party for a payment of \$2,088 per month. The lease agreement expires December 2019. The total rent expense incurred to related parties during 2014 was \$14,492. There was no rent expense incurred to related parties during 2013. In addition, the Company rents equipment under operating leases on an as needed basis. Total rent expense under all operating leases, including related party, was \$999,902 and \$306,673 for the years ended December 31, 2014 and 2013, respectively.

The Company leases equipment under capital leases. The lease agreements expire on various dates through October 2018. See Note 5.

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2015	\$ 77,640	\$ 448,702
2016	77,640	447,916
2017	77,640	425,931
2018	38,690	295,876
2019	-	169,747
Thereafter	<u>-</u>	<u>19,480</u>
Total minimum lease payments	271,610	<u>\$ 1,807,652</u>
Less portion representing interest	<u>(30,600)</u>	
Present value of minimum lease payments - Note 5	<u>\$ 241,010</u>	

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

On December 17, 2014, the Company entered into a lease agreement with an individual related to a gravel pit located in Richland County, North Dakota. The lease expires on December 31, 2019, which the option to renew for an additional five years. There is no minimum lease commitment however H&S agrees to pay the individual \$0.40 per cubic yard as royalty for all existing stockpiles and \$1.00 per cubic yard mined and removed by the Company. There was no activity related during 2014.

Note 7 - Income Taxes

As indicated Note 1, during 2014, the Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S Corporation. The stockholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal and state income taxes has been included in the financial statements. Certain specific deductions and credits flow through the Company to its stockholders.

In connection with the S Corporation election, the Company removed deferred income tax assets and liabilities previously recorded while operating as a C Corporation. This resulted in recognizing an income tax benefit of \$369,000 during 2014.

Deferred liabilities consist of the following components as of December 31, 2014 and 2013:

	2014	2013
Deferred tax asset		
Net operating loss carryforward	\$ -	\$ 93,000
Deferred tax liability		
Property and equipment	-	(462,000)
Noncurrent liability	<u>\$ -</u>	<u>\$ (369,000)</u>

The provision for (benefit from) income taxes charged to income for the years December 31, 2014 and 2013 consists of the following:

	2014	2013
Current	\$ -	\$ -
Deferred	-	156,000
Change in deferred income taxes in connection with the S Corporation election	<u>(369,000)</u>	<u>-</u>
Income tax provision (benefit)	<u>\$ (369,000)</u>	<u>\$ 156,000</u>

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 8 - Employee Benefit Plans

Defined Contribution Plans

The Company has a profit-sharing plan which covers all employees who are not working in a classification of employees covered by a collective bargaining agreement, who have completed one year of service and who are 21 years of age. Contributions to this plan are determined annually by the board of directors. The profit sharing expense totaled \$4,921 and \$4,831 for the years ended December 31, 2014 and 2013.

Defined Benefit Plan

The Company contributes to multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If the participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in some of its multiemployer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans for the annual period ended December 31, 2014 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2014 and 2013 is for the plan's year end at December 31, 2013, and December 31, 2012, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and the plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective-bargaining agreements to which the plans are subject.

Pension Protection Act Zone Status					Company Contributions			Expiration Date of Collective Bargaining Agreement
EIN/Pension		FIP/RP Status						
Pension Fund	Plan Number	2014	2013	Pending/Implemented	2014	2013	Surcharge Imposed	
International Union of Operating Engineers	36-6052390	Green	Green	No	\$ 416,278	\$ 233,338	No	5/30/2016

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H&S Contracting, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Note 9 - Backlog

The following schedule shows a reconciliation of backlog representing signed contracts in existence at December 31, 2014.

Balance, December 31, 2013	\$ 7,237,225
New contracts, change orders, and miscellaneous projects	<u>7,205,830</u>
	14,443,055
Less contract revenue earned	<u>(13,111,503)</u>
Balance, December 31, 2014	<u>\$ 1,331,552</u>

The Company entered in to contracts subsequent to year-end totaling \$3,950,749.

Subsequent Events

Subsequent to year-end, the Company entered into a verbal agreement with HH&E, a related party through common ownership, to produce material at a pit located in Rollag, Minnesota for an agreed upon price. In addition, H&S will also purchase the material from HH&E at agreed upon prices to be used in the Company's construction services or for resale. H&S will be the sole customer of HH&E.



Supplementary Information
December 31, 2014 and 2013
H&S Contracting, Inc.

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H&S Contracting, Inc.
Schedule of Income from Contracts
Year Ended December 31, 2014

	Earned Revenue	Cost of Earned Revenue	Gross Profit
Completed contracts	\$ 11,420,060	\$ 10,057,093	\$ 1,362,967
Contracts in progress	1,691,443	1,404,481	286,962
Overallocated indirect contract costs	-	(246,077)	246,077
	<u>\$ 13,111,503</u>	<u>\$ 11,215,497</u>	<u>\$ 1,896,006</u>

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H&S Contracting, Inc.
Schedule of Completed Contracts
Year Ended December 31, 2014

Job #	Project Description	Total Contract			Before January 1, 2013			For the year ended December 31, 2014		
		Earned Revenue	Cost of Earned Revenue	Gross Profit (Loss)	Earned Revenue	Cost of Earned Revenue	Gross Profit	Earned Revenue	Cost of Earned Revenue	Gross Profit (Loss)
12-028	West Fargo 1209 Phase 2	\$ 3,441,160	\$ 1,155,619	\$ 2,285,540	\$ 288,120	\$ 247,040	\$ 40,680	\$ 3,172,349	\$ 2,907,959	\$ 264,390
13-026	ND DOT #15 Walpole	2,121,032	2,132,223	(\$ 10,191)	3,140	2,779	381	2,122,872	2,129,444	(\$ 6,572)
12-024	Fargo River Valley 6063-2	1,212,067	1,106,072	105,995	1,331,818	1,687,702	244,096	(119,751)	18,350	(138,101)
14-008	Fargo UN-14-21	1,023,405	632,567	390,838	-	-	-	1,023,405	632,567	390,838
14-001	Cass County CH1301 and CH1401	985,314	688,311	297,003	-	-	-	985,314	688,311	297,003
13-015	Beckwithridge Flood FRM	885,226	579,694	305,532	865,544	563,332	302,192	23,682	19,232	4,450
13-027	McClure's 1th Addition	856,213	929,115	(72,902)	-	-	-	867,767	918,476	(50,709)
13-012	Fargo Race Creek 5959-63	737,643	587,127	150,516	528,971	387,717	141,254	208,672	199,410	9,262
14-013	Prarie Grove Site Work	323,269	251,454	71,815	-	-	-	323,269	251,454	71,815
14-010	Cass County Drain 39 South River	318,349	244,736	73,613	-	-	-	318,349	244,736	73,613
14-003	ND DOT #12 Valley City	264,049	321,676	(57,627)	-	-	-	264,049	321,676	(57,627)
14-017	Cass County Drain 10	245,898	179,774	66,124	-	-	-	245,898	179,774	66,124
14-004	West Central Port Site	241,498	142,223	99,275	-	-	-	241,498	142,223	99,275
14-019	Fargo HD-14-31 and HD-14-41	97,399	52,412	44,987	-	-	-	97,399	52,412	44,987
14-006	Remainder	91,397	34,830	56,567	-	-	-	91,397	34,830	56,567
14-020	Elm River Dam 2 Improvement	89,511	33,458	56,053	-	-	-	89,511	33,458	56,053
14-111	Hector Airport Taxiway	84,286	67,725	16,561	-	-	-	84,286	67,725	16,561
14-412	MN SAP 614-603-311	41,204	27,939	13,265	-	-	-	41,204	27,939	13,265
14-011	DMW Home Site Improvement	37,600	19,542	18,058	-	-	-	37,600	19,542	18,058
14-015	Cass County Drain Repair	36,158	21,899	14,259	-	-	-	36,158	21,899	14,259
14-016	Saltin River Moorhead LA Flood	35,000	17,550	17,450	-	-	-	35,000	17,550	17,450
14-014	Integrity Steel Mapleton	34,816	20,320	14,496	-	-	-	34,816	20,320	14,496
14-007	Fargo 4th St Flood Mitigation	25,879	8,282	17,597	-	-	-	25,879	8,282	17,597
HAUL	Hauling - 2014	665,034	598,472	66,562	-	-	-	665,034	598,472	66,562
WEDGET	West Fargo Dirt 2014	203,989	206,253	(2,264)	-	-	-	203,989	206,253	(2,264)
SNOW	Snow Removal - 2014	38,895	42,879	(3,984)	-	-	-	38,895	42,879	(3,984)
MISC	Misc Jobs - 2014	199,385	191,250	8,135	-	-	-	199,385	191,250	8,135
		<u>\$ 14,429,319</u>	<u>\$ 12,353,963</u>	<u>\$ 2,075,357</u>	<u>\$ 3,009,259</u>	<u>\$ 2,596,869</u>	<u>\$ 712,390</u>	<u>\$ 11,620,060</u>	<u>\$ 10,637,393</u>	<u>\$ 982,667</u>

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H&S Contracting, Inc.
Schedule of Contracts in Progress
Year Ended December 31, 2014

Contracts		Contract Totals			From Inception Through December 31, 2014			
Job #	Projects	Estimated Revenue	Estimated Cost of Revenue	Estimated Gross Profit	Earned Revenue	Cost of Earned Revenue	Gross Profit	Billed to Date
14-010	Fargo FM-14-61 El Zagei	\$ 2,258,213	\$ 2,159,548	\$ 98,665	\$ 1,110,742	\$ 1,062,212	\$ 48,530	\$ 1,173,848
14-009	2012-1 Mapleton Levee Insp.	462,183	236,274	225,909	443,600	236,774	216,826	424,832
14-021	Mergenthal Dr. No.5	302,599	254,911	47,688	137,101	115,495	21,606	118,203
		<u>\$ 3,022,995</u>	<u>\$ 2,650,733</u>	<u>\$ 372,262</u>	<u>\$ 1,691,443</u>	<u>\$ 1,404,481</u>	<u>\$ 286,962</u>	<u>\$ 1,716,903</u>

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H&S Contracting, Inc.
Schedule of Contracts in Progress
Year Ended December 31, 2014

Contracts		At December 31, 2014				Year ended December 31, 2014		
Job #	Projects	Balance of Contract to be Billed	Estimated Costs to Complete	Costs and Estimated Earnings in Excess of Billings	Billings in Excess of Costs and Estimated Earnings	Earned Revenue	Cost of Earned Revenue	Gross Profit
14-018	Fargo FM-14-51 El Zagal	\$ 1,084,365	\$ 1,097,335	\$ -	\$ 63,106	\$ 1,110,742	\$ 1,062,212	\$ 48,530
14-009	2012-1 Mapleton Levee Imp.	37,331	9,500	18,748	-	443,600	226,774	216,826
14-021	Mergeuthal Dr. No.3	184,396	139,416	18,898	-	137,101	115,495	21,606
		<u>\$ 1,306,092</u>	<u>\$ 1,246,252</u>	<u>\$ 37,646</u>	<u>\$ 63,106</u>	<u>\$ 1,691,443</u>	<u>\$ 1,404,481</u>	<u>\$ 286,962</u>

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H&S Contracting, Inc.
Schedules of Costs of Earned Revenue and Indirect Contract Costs
Years Ended December 31, 2014 and 2013

	2014	2013
Costs of Earned Revenue		
Materials	\$ 2,518,505	\$ 1,496,736
Labor and benefits	2,533,384	1,415,182
Subcontracts	2,298,094	1,667,429
Equipment	3,979,445	1,114,286
Bonding	80,002	125,309
Other direct job costs	52,144	77,053
(Over)/under allocated indirect contract costs	(246,077)	804,038
	<u>\$ 11,215,497</u>	<u>\$ 6,700,033</u>
	2014	2013
Indirect Contract Costs		
Equipment	2,570,568	1,022,279
Depreciation	620,258	411,904
Shop and superintendent	290,616	153,606
Insurance and workers' compensation	94,105	139,303
Payroll expenses	79,391	87,746
License, locates and permits	54,874	37,339
Travel and lodging	30,526	33,727
Telephone	28,051	13,790
Plans and bidding	12,298	6,829
Safety	7,172	6,234
Training	4,108	-
Less: amounts allocated to contracts	(4,038,044)	(1,108,719)
	<u>\$ (246,077)</u>	<u>\$ 804,038</u>

H&S Contracting, Inc.
Schedules of Operating Expenses
Years Ended December 31, 2014 and 2013

	2014	2013
Office salaries	\$ 484,275	\$ 169,109
Office supplies and postage	52,038	23,900
Professional fees	36,128	18,457
Depreciation	28,022	12,489
Association fees	10,916	12,076
Payroll taxes	59,362	-
Miscellaneous taxes, fines and penalties	40,592	11,684
Bad debts	45,349	11,367
Advertising and promotion	15,382	9,522
Office rent	24,290	7,200
Utilities	3,943	-
Profit-sharing	4,921	4,831
Real estate taxes	7,800	3,615
Bank charges	16,919	3,605
Dues and subscriptions	5,802	2,441
Training	3,544	2,299
Meals and entertainment	5,549	1,772
Medical expenses	43,644	1,771
Computer networking	2,766	
Miscellaneous	6,110	2,115
	<u>\$ 897,352</u>	<u>\$ 298,253</u>

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